

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
)	
Broadcast Localism)	MB Docket 04-233
)	

***INITIAL COMMENTS OF
of
ARSO RADIO CORPORATION***

Arso Radio Corporation (“Arso”)¹ submits these comments in response to the Commission’s *Report on Broadcast Localism and Notice of Proposed Rulemaking*² to consider, inter alia, (1) communications between licensees and their communities; (2) nature and amount of community responsive programming; (3) disaster warnings; and (4) license renewal procedures. Although the Notice outlines a total of nine (9) areas of inquiry, Arso’s comments herein are limited to the four (4) areas listed above.

Communications between Licensees and Communities

Many of the proposals relating to the Commission’s “Enhanced Disclosure” concept (already being implemented for television licensees) represent laudable attempts to increase communication between licensee and their community. However, the proposals fail to account for the economic impact of such implementation on radio broadcasters, who are already struggling to remain financially viable. In particular, licensees would have to hire additional personnel to comply with these enhanced

¹ Arso is an FCC licensee of 8 radio stations located in Puerto Rico, and its principals have an attributable interest in 6 other radio stations in Puerto Rico.

² *Report on Broadcast Localism and Notice of Proposed Rulemaking* in MB Docket No. 04-233, FCC 07-218 (rel. January 24, 2008)(“Notice”).

disclosure requirements, which is difficult in an economic recession as currently exists in Puerto Rico. Hiring new employees in Puerto Rico is exceedingly difficult because of Commonwealth and Federal regulations, including Federal minimum wage (\$5.85/hr), compulsory Christmas bonuses (this year increases to \$500/employee/yr.), additional benefits of approximately \$500/employee/month on a family medical insurance coverage; life insurance, 401K benefits, Social Security and Unemployment benefits, in addition to the highly hostile, combative and destructive climate the state labor laws present to employers. Currently, if you wish to dismiss an employee, the following formula is required to calculate the employee severance payment, which is compulsory unless you can unequivocally prove just-cause:

Employee with 0-5 years of service: 2-months of salary, plus 1-week per each year of service;

Employee with 5-15 years of service: 3-months of salary, plus 2-weeks of salary for each year of service;

Employee with 15+ years of service: 6 months of salary, plus 3-weeks of salary for each year of service.

Add those expenses to a corporate tax of 41.5% in the Commonwealth and the highest electrical costs in the United States at 0.21 cents per kW/hour and the added burden that would be imposed by these proposals (additional paper documentation, web site postings of material, creation and maintenance of community advisory boards, and maintaining a physical presence at each station during all hours of operation) will certainly hinder many broadcasters in Puerto Rico if not completely cripple their business operations.

Nature and Amount of Community Responsive Programming

With respect to the proposals put forth by the Commission as it relates to the nature and amount of community responsive programming, Arso would comment that a “minimum” requirement for license renewal purposes of locally produced PSAs and political and public affairs programming is a laudable goal and is concerned solely with the means by which the documentation of this programming for renewal purposes will be required and the burden (economic and otherwise) the maintenance of such documentation will impose.

The proposal relative to the main studio rule is extremely problematic, both on the island of Puerto Rico and elsewhere in the continental United States. Real estate expenses (either leasing or owning property) in an relatively small area like Puerto Rico (where there is no place to “expand” to) are prohibitive and by requiring broadcasters to potentially relocate their studio facilities after investing time and money in currently permissible locations, based on the speculative assumption that such relocation would engender additionally locally produced programming, the likely outcome would be the entirely opposite effect, as the imposition of additional real estate expense would result in a ***reduction*** of locally produced programming because of the expense associated with same.

The proposal relating to convening and maintaining permanent advisory boards is likewise problematic, again because of the cost, both in terms of time and money, to operate such boards. In addition, any information likely gleaned from such meetings with local officials and community leaders can be gathered just as easily (and more efficiently) by (a) broadcasters’ participation and membership in local community

organizations; (b) a regular examination of other local media, i.e. newspapers, to determine issues of community interest and (c) participation of such local officials and agencies and community organizations as guests on already established public affairs programming produced by broadcasters, where the issues affecting the community are identified and discussed. Arso believes that it, like most broadcasters, is already a participant in issues of concern to its local community through promotion, public service announcements, and community affairs programming covering a diverse range of issues, including, for example, alcoholism, cancer awareness and detection, and child abuse prevention. Correspondence received by Arso from Alcoholics Anonymous, the Susan G. Komen Foundation, and the Governor of Puerto Rico thanking Arso for its participation and promotion of these matters of public concern are attached hereto as Exhibit "1", and represent just a fraction of the matters on which Arso, like most broadcasters, addresses as part of its public service obligations as a licensee. The proposals in the NPRM would merely increase the administrative cost of performing this public service, with the potential result of a *reduction* in such public service, rather than the intended effect of increasing same.

With regards to the proposal for permitting AM stations to utilize FM Translators, Arso endorses the comments put forth by the Radio Broadcasters Association of Puerto Rico and the Independent Spanish Broadcasters Association as set forth in the Report at page 28 that revising the rules to permit such operations would benefit minority broadcasters. However, Arso would caution that the implementation of such a rule does not cause additional interference issues on the FM band, particularly in crowded RF Spectrum as exists in Puerto Rico. Arso would further note that another method to assist

AM station licensees in competing with other media sources is to work more aggressively on solving interference issues that such licensees in Puerto Rico and the southern United States experience from broadcasts originating in Venezuela, the Dominican Republic and Cuba that operate contrary to international protocols.

Disaster Warnings

As it relates to the Commission's proposals regarding disaster warnings, Arso would reiterate its comments above regarding the economic cost of having to maintain a physical presence around the clock at station facilities. Today's technology has achieved a high level of reliability and accessibility, as demonstrated with the stability and efficiency reached by new transmitters and remote control systems. The added flexibility brought by implementing telecommunications technology to radio operations which greatly improve communication between sites and studios, remote transmissions, etc. through the use of T1 lines and cell phones, make having a physical presence somewhat superfluous. Conversely, having personnel available 24 hours a day will not solve the existing design flaws of the current EAS system, which the Commission acknowledges and is addressing in a separate proceeding.

License Renewal Procedures

As noted above, the Commission's proposals regarding specific "minimum" requirements of localism programming for purposes of renewal applications is laudable, however, such proposals should be tempered with a consideration of the economic cost of maintaining records relating to such programming over an entire license term in order to document same in connection with a renewal application. Insofar as what the guidelines should reflect, Arso would suggest that a definition of the programming that would

qualify be established and that such definition should include programming that is produced either locally or distantly but which addresses a topic or issue of concern to local residents of the community of license, including but not limited to “issues” such as environment, schools, local and national political campaigns, health, family, entertainment, community service groups, etc.

Conclusion

In conclusion, Arso offers the above recommendations to the Commission, as invited by the Notice of Proposed Rulemaking, with respect to the items delineated herein.

Respectfully Submitted
Arso Radio Corporation

By its Counsel:

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/S/

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EXHIBIT "1"
Correspondence Regarding Public Service Commitment


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Feb/07

Estimado(a) Dr. Heliodor Sanchez.
Radio Tiempo - Hato Urdó.

Deseamos agradecerle a usted y a su emisora la colaboración que nos han brindado a los Alcohólicos Anónimos al transmitir nuestros anuncios de servicio público, los cuales enviamos a su atención en el mes de Julio del 2006. Como todos sabemos el alcoholismo es una grave enfermedad que no sólo afecta a la persona que la sufre sino también a su familia y a la comunidad en general. Aunque nuestro programa de recuperación es de atracción y no de promoción, es nuestro deber informar al público que estamos presentes en Puerto Rico para apoyar a todo aquél que crea tener un problema con la bebida. Le agradecemos por tanto si su emisora puede continuar transmitiendo nuestros anuncios de servicio público cuando les sea posible.

Le(s) saluda afectuosamente,


Margarita Espinosa V.
Comité de Información al Público.
Alcohólicos Anónimos.



*Public
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26 de noviembre de 2007

Junta de Directores

*Luis Ruiz, M.D.
Presidente*

*Eva Cruz, M.D.
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Directora*

*Rafaela Senguer
Directora*

Elba Esmurria
Uno Radio Group
PO Box 36322
San Juan, PR 00936-3222

Estimada Sra. Esmurria:

A nombre de Susan G. Komen for the Cure, Filial de Puerto Rico quiero darle las gracias por la cooperación que recibimos de ustedes para el "Race for the Cure", que se llevó a cabo el pasado 14 de octubre de 2007.

Como es de su conocimiento, la carrera fue todo un éxito y esto no hubiera sido posible sin la ayuda que nos brindaron.

La población puertorriqueña tiene una gran necesidad de educación sobre la eficacia en la detección temprana de cáncer de seno. Por esta razón es sumamente importante para nosotros saber que podemos contar con instituciones como la suya que se unieron a nuestra organización para lograr las metas que nos hemos propuesto.

Cordialmente,


Marie Ortiz
Directora Ejecutiva

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Doral Building 650 Ave. Muñoz Rivera Suite 200 San Juan, PR 00918-4149
TEL. (787) 751-9096 Fax (787) 765-9134 e-mail: susankomenpr.org
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4 de diciembre de 2007

Sra. Elba Esmeralda
Vicepresidenta
UNO Radio Group
PO Box 363222
San Juan, PR 00936-3222

Estimada Elba:

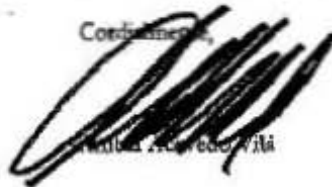
En nombre del pueblo puertorriqueño agradezco profundamente el apoyo que nos has brindado a lo largo de las tres etapas de la Campaña de Prevención del Maltrato: *El maltrato nos toca a todos, juntos podemos detenerlo.*

Este importante esfuerzo de varias agencias gubernamentales no hubiera podido lograrse de manera contundente sin el respaldo incondicional de los medios de comunicación masiva, como lo son la prensa escrita, radio, televisión y otros medios alternos. Indudablemente, el mensaje que UNO Radio Group está ayudando a difundir está calando hondo en el alma y en la conciencia de nuestra gente. Como consecuencia de ello, los talleres que ofrece ADFAN, conocidos como *Espacios de Paz*, han tenido una acogida sin precedentes entre nuestros ciudadanos.

Gracias por unirse solidariamente a nuestra lucha por lograr una convivencia pacífica, respetuosa de los derechos de la niñez. Un pueblo que se respeta a sí mismo es un pueblo en paz. ¡Gracias!

Recibe un fuerte abrazo y mis sinceros deseos de paz, salud y bienestar para ti y la gran familia de UNO Radio Group.

Cordialmente,



Aníbal Acevedo Vilá